



IRA A. JACKSON  
COMMISSIONER

# *The Commonwealth of Massachusetts*

*Department of Revenue*

*Loarett Saltonstall Building,*

*100 Cambridge Street, Boston 02204*

April 12, 1983

· ("Company") sells various goods subject to the Massachusetts sales tax. The Company assesses a handling charge when certain taxable items are returned for a refund.

You inquire about the sales tax result of imposing a handling charge on the rescission of a sale.

The sales price on which the sales tax is imposed is the total amount paid by a purchaser to a vendor as consideration for a retail sale. (G.L. c. 64H, s. 1(14)). However, in determining the sales price there is excluded the amount charged for property returned by a purchaser to a vendor upon rescission of the sale when the entire amount charged is refunded either in cash or credit, and when the property is returned within 90 days from the date of sale. (G.L. c. 64H, s. 1(14)(c)(ii)).

Based on the foregoing it is ruled that the Company may not exclude from its taxable sales the price of merchandise returned within 90 days for which less than a full refund is made; nor is the customer entitled to a refund of his sales tax payment in this instance.

Very truly yours,

A handwritten signature in dark ink, appearing to read "Ira A. Jackson", written over the printed name of the Commissioner of Revenue.

Commissioner of Revenue

IAJ:JJW:mf

LR 83-24